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65-1552

26 MAR 1965

MEMORANDUM FOR: Deputy Director for Support
Inspector General
Office of General Counsel

SUBJECT : Review of DCI Authority for the Use of Confidential Funds

1. The use and control of the Director's authorities with respect to the expenditure of confidential funds have been the subject of various studies within the Agency and questions by the Congressional Committee. The thrust of these studies and responses have aimed toward documenting the scope and use of the authorities and the assurance that no abuse of this privilege existed. The first comprehensive study, conducted by the Office of the General Counsel about twelve years ago, has been followed by studies on an ad hoc basis delving into particular facets of the situation. The last study devoted to CIA appropriated funds only was completed over five years ago.

2. The expansion which has taken place in the use of advanced funds points up the need for updating and consolidating these studies. Provision should also be made to maintain this study in a current status. The information and conclusions resulting from this approach will then be employed as the basis for recommending future policies governing the use of confidential funds, any necessary revision of the authorities, and reporting.

3. It is my desire that a review group be formed immediately to study this matter. I have asked the Director EPAM to organize the group consisting of representatives of the Audit Staff, Office of Finance, and Office of General Counsel, and to report to me not later than 15 May 1965.

(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick
Executive Director-Comptroller

O/EPAM jgh/23 March 1965

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